# GOVERNMENT OF INDIA
# CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
# LOK SABHA

STARRED QUESTION NO:177
ANSWERED ON:12.12.2003
PRIVATE SECTOR IN PROCUREMENT AND STORAGE
BOLLA BULLI RAMAIAH;RENUKA CHOWDHURY

**Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:**

(a) whether the Government propose to allow participation of private sector in procurement and storage of foodgrains for bringing about a sense of competitiveness in the system;

(b) if so, the details thereof;

(c) the likely impact as a result thereof including employment in Food Corporation of India?

## Answer

MINISTER OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION ( SHRI SHARAD YADAV )

(a), (b) & (c) : A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF STARRED QUESTION NO. 177 DUE FOR ANSWER ON ' 2003 IN THE LOK SABHA.

(a)&(b): Under the present Government Policy on procurement of foodgrains, the private sector is also free to procure foodgrains from the farmers. The Government announces the Minimum Support Price (MSP) for the farmers every crop year so as to ensure remunerative prices to the farmers, prevent distress sale and to have sufficient buffer stocks for a sound Public Distribution System (PDS). Farmers have the freedom to offer their produce to public or private agencies. Under the National Policy on Handling, Storage and Transportation of Foodgrains announced by the Government during June, 2000, the private sector is being encouraged for creation of bulk handling, storage and transportation facilities for foodgrains at different locations in the country.

(c): Greater private participation in procurement, handling and storage of foodgrains is likely to promote competition, efficiency, and investments besides reducing establishment cost of the Food Corporation of India.